



RURAL DEVELOPMENT VERMONT/NEW HAMPSHIRE

FEBRUARY 2006

BUILDING COMMUNITIES

STATE DIRECTOR COLUMN:

2006 AG OUTLOOK FORUM; INVESTMENTS IN RURAL AMERICA

In February, the **2006 USDA Agricultural Outlook Forum** commenced in our nation's capital. The theme: "Prospering in Rural America", focused not only on domestic production, conservation, and global aspects of trade, health and the economy, but a magnified new message was communicated to all: **the future of rural America depends on entrepreneurship and technology.**

Opening remarks by USDA Secretary Mike Johanns highlighted the increasingly prominent role that USDA Rural Development plays to support the future of rural America. Referencing the valuable testimony presented at the 2005 Farm Bill Listening Sessions which took place in every state in the nation, Secretary Johanns stated "we heard ideas and concerns that differ from one crop to the next, and as you might expect, from one region of the country to the next. But...we heard unanimous support for our Rural Development efforts. To quote from a report recently released by the American Farm Bureau Federation: 'Farmers are more dependent on rural communities than rural communities are dependent on farmers.'" How times change...

Additional plenary session remarks were offered by **Rural Development (RD) Under Secretary Tom Dorr:** "65 million people live in rural America. 63 million of them don't farm. 96% of the total income in rural areas -- and virtually all the job growth -- is from non-farm sources. That's where USDA Rural Development comes in. We administer over 40 programs ranging from housing to infrastructure to business.

We are by statutory authority the leading advocate for rural America. Our mission is to increase economic opportunity and improve the quality of life in rural communities. In 2006, we will invest over \$17 billion in rural communities. Since 2001, the total is \$63 billion invested and over 1.1 million jobs created or saved.

Our mission has changed significantly over the years. We recognize that sustainable development must be market driven, not program dependent. We want to be an investment banker for rural America, not a central planner or a lender of last resort. Our role is to support and empower local initiative, both public and private. We are an enabler, not a central planner."

The message from RD, and most 21st Century Funders: Define Results and we'll do our best to show you the \$\$! Each year USDA RD receives many superior applications. Loan and Loan Guarantee funds are abundant; grant dollars are in shorter supply, but they still exist. And VT/NH projects are as innovative and viable as any in the nation.

Contact us for technical assistance and financing -- we can also guide you to other public and private resources to fit your housing, business or community development project. We value our partnerships -- together, we support rural initiatives that make a difference.

Sincerely, Jolinda H. LaClair

2006 PROGRAM FUNDS AND APPLICATION DEADLINES

BUSINESS PROGRAMS

Value-Added Producer Grants: The Notice of Solicitation of Applications was published in the December 21, 2005 Federal Register. There is approximately \$19 million in competitive grant funds for FY 06 to help independent agricultural producers enter into value-added activities. Of this amount, \$1.5 million is set aside for applicants requesting \$25,000 or less. Awards may be made for planning activities or for working capital expenses, but not for both. The maximum grant amount for a planning grant is \$100,000 and the maximum grant amount for a working capital grant is \$300,000. **Applications must be received no later than March 31, 2006.** Mail applications to: USDA Rural Development, Cooperative Programs, Attn: VAPG Program, Mail Stop 3250, Rm 4016, South, 1400 Independence Avenue, SW, Washington, DC 20250-3250 or email to <http://www.grant.gov>. Prospective applicants are asked to contact Lyn Millhiser, Business Programs Specialist at 802-828-6069 or lyn.millhiser@vt.usda.gov.



Renewable Energy and Energy Efficiency Grant, Guarantee and Direct Loan Program (Section 9006): The final rule for this program was published in the July 18, 2005 Federal Register. The 9006 Renewable Energy and Energy Efficiency program was established under the Farm Security and Rural Investment Act of 2002 and is designed to help agricultural producers and rural small businesses reduce energy costs and consumption through the purchase of renewable energy systems and installation of energy efficiency improvements. Approximately \$22.8 million will be available to carry out the grant and guarantee program nationally. This is a nationally competitive program. **The application submission deadline is May 12, 2006.** Loan Guarantee applications will be accepted anytime. Prospective applicants are asked to contact Lyn Millhiser, Business Programs Specialist at 802-828-6069 or lyn.millhiser@vt.usda.gov

Rural Business Opportunity Grants: The Rural Business Opportunity Grant Program promotes sustainable economic development in rural communities with exceptional needs. The grants are given to organizations to provide for economic development planning, technical assistance or training. The Notice of Funding Announcement is expected to be published in the Federal Register in the very near future. **The deadline for applications is May 26, 2006.** For more information or to discuss a possible project, please call Sherry Paige in Vermont at 802-828-6034 or email her at sherry.paige@vt.usda.gov – or call Marilyn Jenks in New Hampshire at 603-223-6042 or email her at marilyn.jenks@nh.usda.gov. Filing early is strongly encouraged.

HOUSING PROGRAMS

Guaranteed Rural Rental Housing (Section 538): The Notice of Funding Availability was published in the January 27, 2006 Federal Register. With \$99 million available nationwide, the program is for the development of multi-family housing facilities in rural areas of the United States. Loan guarantees are provided for the construction, acquisition or rehabilitation of rural multi-family housing. Occupants of the multi-family housing units must have very-low, low, or moderate incomes, or be elderly or disabled with household incomes not in excess of 115% of the area median income. The average rent of all units is 30% of the median income of the surrounding area, adjusted for family size. Loan guarantees may be up to 40 years and must be fully amortized. **Applications are accepted throughout the year. The first review will be of applications received prior to**



June 16, 2006. To find out more about the Guaranteed Rural Rental Housing Program, email Robert McDonald, Housing Programs Director at robert.mcdonald@vt.usda.gov or call 802-828-6068 in VT or 603-223-6067 in NH.

*Creekview Housing,
Vergennes, VT*

Rural Rental Housing (Section 515): The Notice of Funding Announcement is expected to be published in the Federal Register very soon. In the meantime, we recommend you use last year's NOFA as a guide. We are expecting \$25 million for new project development. New funding this year will not include rental assistance, however, a partnership with Vermont State Housing Authority is making project based section 8 rental assistance available to successful 515 projects in VT. To find out more about the Direct Rural Rental Housing Program, email Robert McDonald, Housing Programs Director at robert.mcdonald@vt.usda.gov or call 802-828-6068 in VT or 603-223-6035 in NH.

Farm Labor Housing (Section 514): The Notice of Funding Announcement is expected to be published in the Federal Register within the next few weeks. **The deadline for applications is usually 60 days after the NOFA is published in the Federal Register.** The Farm Labor Housing Loan and Grant Program provides capital financing for the development of housing for domestic farm laborers. The loans and grants can be used to buy, build, improve or repair housing for farm laborers. Loans are for 33 years at 1% interest. Grants, made to farm worker associations, nonprofit organizations, Indian tribes, and public agencies, may cover up to 90% of development costs. To find out more about the Farm Labor Program, email Robert McDonald, Housing Programs Director at robert.mcdonald@vt.usda.gov or call 802-828-6068 in VT or 603-223-6035 in NH.



*Champlain Orchards
Shoreham, VT*

Housing Preservation Grants (Section 533): The Notice of Funding Announcement is expected to be published in the Federal Register within the next few weeks. **The deadline for applications is usually 60 days after the NOFA is published in the Federal Register.** Housing Preservation Grants are awarded to organizations for the repair or rehabilitation of housing owned by individuals with very low or low household incomes. The grants are competitive and are made available in areas where there is a concentration of need. The funds are used in combination with other program funds and are given to the homeowner as a low interest loan or grant. Funds must be used within two years. Population limit for towns served is 20,000. We are encouraging applications up to \$50,000 from non-profits or municipalities and hope to get two or three per state. To find out more about Housing Preservation Grants, email Robert McDonald, Housing Programs Director at robert.mcdonald@vt.usda.gov or call 802-828-6068 in VT or 603-223-6035 in NH.

COMMUNITY FACILITIES

Child care Set-Asides: Funds are set aside specifically for child care (0-12 years) programs. Organizations and project eligibility are the same as for our CF loan or grant program. To date, we have funded six applications from this pool of money. Although applications for child care will continue to be accepted and funded from our regular CF allocation, the child care set-aside funds will expire on April 1, 2006. To learn more about the childcare set-aside, please contact Susan Farber at 603-223-6052 or email her at susan.farber@nh.usda.gov

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

ATTENTION COMMERCIAL LENDERS, NON-PROFIT ORGANIZATIONS, HOUSING DEVELOPERS AND BUSINESSES:

LENDERS!! RD LOAN GUARANTEE PROGRAMS CAN WORK FOR YOU!

With increasing attention on the growing federal deficit and overall cost of federal programs, loan guarantees are a cost-effective means for federal agencies to support community and economic development. Rural Development sees this shift as the programs we offer have an increased emphasis on loan guarantees.

While everyone loves grants and subsidized interest rates, we must reserve those limited funds to the projects and applicants with the most need. Demand for these funds always exceeds the funds available. Many projects have the ability to afford commercial rates and terms but may not quite meet a bank's credit quality standards. This is where **a loan guarantee can help**. Rural Development has multiple core loan guarantee programs for commercial projects. The guarantee reduces the bank's risk and can often result not only in access to loans but improved interest rates and longer terms.

The **Community Facility Program** provides up to 90% loan guarantees for capital projects of non-profit organizations that are providing essential facilities to a community. Examples include education, recreational, health care, day care and fire/rescue.

The **Business and Industrial Program** provides up to 80% loan guarantees for financing most business lending other than lines of credit. Our focus is assisting businesses that offer good jobs and/or businesses that are (or will be) a critical economic component of a rural community.

The **Section 538 Rural Rental Housing Program** can provide up to 90% loan guarantees and possible interest rate buy downs for new construction or purchase and rehabilitation of rental housing projects that assist families or persons up to 115% of median income.

Our brand new **Renewable Energy/Energy Efficiency** program can provide up to an 85% guarantee for loans to farmers and small business owners to install renewable energy systems or make energy efficiency improvements.

For more RD program contact information, visit our web site at <http://www.rurdev.usda.gov/vt/> Rural Development staff are always willing to speak to or meet with a bank, developer or non-profit to discuss the benefits these programs can provide you. Call us today and let us make these programs work for you.

RURAL HOUSING

Single Family Housing

Direct and Guaranteed loan funds for housing are plentiful!! To find out more about our housing loan programs, please call 802-828-6068 in Vermont or 603-223-6035 in New Hampshire.

Housing Repair Programs See Growth

The housing repair programs (Section 504) in New Hampshire have seen a healthy growth over the first two quarters of fiscal year 2006. "We have quadrupled our activity from the same period last year," said Housing Program Director Robert McDonald. "Emphasis has been on participation with partners for weatherization and repairs to manufactured homes located in manufactured home park cooperatives. **RD's repair program can provide 1% loans up to \$20,000 for essential repairs and grants up to \$7,500 for persons over 62 years of age who cannot afford a 1% loan.** Contact 802-828-6068 in Vermont or 603-223-6035 in New Hampshire to find the RD office nearest you.

RD Rental Housing Construction Receives Award



Tangible Outcomes Achieved!!

Arnold & Scangas Architects received Honorable Mention in this year's "Efficiency Vermont Energy Design Competition" for their work on 64 School Street, a 10 unit, family housing property in Rutland, VT, in which USDA RD is an investor. Energy saving measures taken during the design of the property account for savings of approximately \$550 per year per family. The project has become a beacon of revitalization for the neighborhood, taking design cues from the massing, scale and details of nearby homes. *RD Construction Analyst Joe Silveira and Area Director Sue Hayes present a*

Certificate of Appreciation to Laz Scangas (center) for his hard work and dedication in the design of the School Street Family Apartments in Rutland, VT.

NOTES OF INTEREST FROM OUR USDA SISTER AGENCIES



Farm Service Agency, VT: The Vermont Farm Service Agency of the U.S. Department of Agriculture announced the launch of an annual operating loan program for Vermont farmers. According to Farm Loan Chief Patrick Freeman, "the program is intended to help farmers take advantage of cash discounts when buying supplies and items like seed, fuel, fertilizer, supplements, farm chemicals, spray material, insurance, and other expenses." In this time of rapidly changing prices, it is important that farmers take every opportunity to reduce costs, and this is one way to do it," according to Freeman. Contact your local Farm Service Agency or call 802-229-6240.



Farm Service Agency, NH: Farm Service Agency makes loans to rural youths to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, Future Farmers of America, Vocational programs and similar organizations. The maximum loan amount is \$5,000 and current interest rates are at a very low 4.875%. The youth must be between the ages of 10 and 20, recommended for a loan by a project adviser, be a US citizen or a permanent resident and live in a town of less than 10,000 people. Those interested in finding out more about the youth loan program are encouraged to contact their local Farm Service Agency county office or farm loan division in Concord directly at (603) 223-6003.



Natural Resource Conservation Service, VT & NH: The 2006 Conservation Security Program (CSP) sign-up will be held Feb. 13, 2006 to March 31, 2006. The sign-up in Vermont will be at the Hudson-Hoosic Sub Watershed. In New Hampshire, sign-up will be at the Upper and Lower Androscoggin watersheds. Additional information about CSP is available from your local USDA Service Center or at <http://www.nrcs.usda.gov/programs/csp>

RD EMPLOYEES WORKING FOR YOU

Recently distributed data from USDA Rural Development's National Office comparing states across the U.S. depicts:

- ★ VT/NH Rural Development ranked #10 or better in nine programs when comparing dollar obligation per FTE (number of employees) during Fiscal Year 2005. Programs include Housing, Community Facilities, Water and Wastewater, Infrastructure and Business Programs.
- ★ VT/ NH ranked #1 in both obligation and obligation per FTE in the Intermediary Relending Program, obligating more money, with less employees than any other state in the nation.
- ★ Nationwide:
 - ◆ Rural Development has had a 101% increase in dollars spent from 1994 to 2005 while experiencing a decrease in FTEs of 28% in the same time period.
 - ◆ From 1996 to 2005, program funds allocated increased by 97% while the amount spent on salaries and expenses increased only 19%.

EMPLOYEE NEWS

Employees Help Katrina Recovery



Jon Muise, Rural Development Manager in Brattleboro, VT, **Gregg MacPherson**, Community Programs Specialist and **William Konrad**, Community Programs Director in Concord, NH, were detailed to New Orleans, LA to help with

long term recovery planning. They are part of a multi-agency team that is supporting parishes in devising their own vision for long-term recovery, including providing a forum for broad-based public involvement. RD staff are part of a group helping to develop Parish-specific recovery plans, including tactical, strategic recovery timelines and aiding decision makers at critical milestones.



Linere G. Silloway started work for Rural Development on January 23rd at the St. Johnsbury, VT Area Office as a Rural Development Technician. Before accepting a job with Rural Development, Linere worked for Defense Contract Management Agency (Pratt & Whitney) in East Hartford CT.

Heather Brewer is the new office automation clerk, providing clerical support to the Community Programs Director and Specialist in Concord, NH. Working at two local Weare restaurants and for Peak Performance Sports has given Heather a lot of experience working with the public.



Lynne Russell, a member of the Community Action Program Senior Employment Program, recently joined the Concord staff and works with the housing staff. Prior to coming to RD, Lynne worked at the Concord Hospital and has 18 years of federal service working for various agencies.